

ARTICLE IX

GENERAL LEASE CLAUSES

9.1. Subletting and Assignment. Upon delivery by the Government to the Lessor of written notice of the Government's intention to sublet all or a part of the Leased Premises or assign this Lease at least fifteen (15) working days prior to any such subletting or assignment, the Government may sublet such part of the Leased Premises or assign this Lease, without the consent of Lessor, provided that the Government shall remain liable for all of the obligations of the tenant under this Lease in the event of any such subletting or assignment.

9.2. Successors Bound. This Lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

9.3. Subordination.

(a) Lessor warrants that it holds such title to or other interest in the Leased Premises and other property as is necessary for the Government's access to the Leased Premises and full use and enjoyment thereof in accordance with the provisions of this Lease. The Government agrees, in consideration of the warranties and conditions set forth in this Section, that this Lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the Leased Premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this Lease. The Government agrees, however, within twenty (20) business days next following the Contracting Officer's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this Lease to any existing or future mortgage, deed of trust or other security interest pertaining to the Leased Premises, and to any water, sewer or access easement necessary or desirable to serve the Leased Premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this Lease.

(b) No such subordination, to either existing or future mortgages or deeds of trust shall operate to affect adversely any right of the Government under this Lease so long as the Government is not in default under this Lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this Lease becomes subordinate, or in a separate nondisturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this Section, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.

(c) In the event of any sale of the Leased Premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the Leased Premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have

INITIALS:

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assumed all obligations of the Lessor under this Lease from and after the date of such foreclosure or other acquisition, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if this Lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the Contracting Officer and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this Lease (including revisions to the Project Team members provided such new members meet the requirements of Section 5.1.2 above), or other writings, as shall be necessary to document the foregoing relationship.

(d) None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

(e) Tenant hereby agrees to execute certifications and subordination agreements as reasonably necessary, which agreements shall include usual and customary lender protections regarding advance payment of rent, lender cure rights in the event of a Lessor default, an agreement not to amend this Lease without lender's consent, and such other provisions as a lender may reasonably request, and which agreement provides standard non-disturbance and other Tenant protections, are recorded in the public real property records, clearly acknowledge the Options and the continuation of all such Options following a lender foreclosure or other enforcement action, and reflect that any casualty and condemnation proceeds shall be used for restoration of the Leased Premises, to the extent set forth in Section 9.17 below, provided that such agreements are in form and content acceptable to the Government.

9.4. Statement of Lease.

(a) The Contracting Officer will, within fifteen (15) days next following the Contracting Officer's receipt of a written request from the Lessor, or a joint written request from the Lessor and a prospective lender or purchaser of the building, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this Section and, if such is the case, that (i) this Lease is in full force and effect; (ii) the date to which the rent and other charges have been paid in advance, if any; (iii) whether any notice of default has been issued; and (iv) such other reasonable factual information as may be requested.

(b) Letters issued pursuant to this Section are subject to the following conditions:

(1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;

(2) That the Government shall not be held liable because of any defect in or condition of the Leased Premises or Buildings;

(3) That the Contracting Officer does not warrant or represent that the Leased Premises or Buildings comply with applicable Federal, state and local law; and

(4) That the Lessor, and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable prepurchase and precommitment inspection of the Leased Premises and Buildings and by inquiry to appropriate Federal, state and local Government officials.

9.5. Substitution of Tenant Agency. The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the Lease. In no event shall any substitution of a tenant agency alter the Government's covenant and agreement that the payment of Rent is a general, full faith and credit obligation of the Government not subject to the availability of appropriated funds or that the payment of Base Rent is not subject to offset.

9.6. No Waiver. No failure by either party to insist upon the strict performance of any provision of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by either party during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

9.7. Integrated Agreement. This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the Lease.

9.8. Mutuality of Obligation. The obligation of the Lessor to furnish services, non-energy utilities, maintenance and non-capital repairs and replacements pursuant to the Service Agreement portion of this Lease, and the obligation of the Government to pay the Service Agreement Rent, are interdependent.

9.9. Notice and Cure.

(a) All notices or communications required to be given herein or which either party desires to give to the other shall be in writing and shall be deemed sufficiently given if addressed to the respective party at the address noted below:

(1) if to the Lessor, at the following address or any other address designated by the Lessor in writing:

LCOR Alexandria L.L.C.
6701 Democracy Boulevard, Suite 711
Bethesda, Maryland 20817
Attn: Mr. R. William Hard, Executive Vice President

with a copy to:

The Law Offices of Timothy C. Hutchens, Esq.
555 11th Street, N.W., Suite 300
Washington, DC 20004
Attn: Timothy C. Hutchens, Esq.

INITIALS:

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(2) if to the Government or the Contracting Officer at the following address or any other address designated by the Government in writing:

General Services Administration
National Capital Region
7th & D Streets, S.W.
Washington, D.C. 20407
Attn: Mr. James R. Smale, Contracting Officer

with a copy to: (prior to occupancy of the entire Leased Premises)

United States Patent and Trademark Office
2011 Crystal Park Drive, Suite 717
Washington, DC 20231
Attn: Administrator for Space Planning

with a copy to: (after occupancy of the entire Leased Premises)

At the Leased Premises
Attn: Administrator for Space Planning

(b) Except as described in the last sentence of this paragraph 9.9(b), the Government shall not exercise any rights to offset Service Agreement Rent pursuant to the provisions of this Lease or otherwise or exercise any other remedy it may have as a result of the non-performance or failure of the Lessor to comply with the terms and conditions of this Lease, until it has provided prior written notice to Lessor and Lessor's Lender, or the Master Servicer (provided that they have given written notice of their identity and address to the Government and provided that the Government shall in no case provide notice to a total of more than four parties), and any applicable cure period pursuant to Section 9.16 has expired. Notwithstanding the provisions of this paragraph or of any other portion of this Lease, the Government shall have the right to perform any emergency repairs or services in the event of non-performance or failure by the Lessor.

9.10. Further Assurances. The Government shall cooperate with the Lessor and the Lessor's Lender to make such modifications to this Lease as may be required to facilitate the project financing to the extent such requested modifications do not alter the Lessor's obligations, do not increase the costs to the Government and are otherwise consistent with the purpose and intent of this Lease as reasonably determined by the Government.

9.11. Delivery, Inspection and Acceptance. Except as expressly set forth in Sections 5.7.8 and 5.7.9 of this Lease (and other sections referenced therein), if the Leased Premises, while substantially complete, do not in every material respect comply with the provisions of this Lease, the Contracting Officer may elect in his discretion to withhold an amount from the Service Agreement Rent equal to the Government's cost (including all administrative overhead), as estimated by the Contracting Officer or his designee, to correct or complete the Leased Premises so as to bring them into complete compliance with Lease requirements. If the Contracting Officer elects to withhold Service Agreement Rent, pursuant to this Section, the Contracting Officer shall deliver to the Lessor within

INITIALS:

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ten (10) business days following completion of the Government's inspection of the Leased Premises, a Notice specifying (i) the defects and omissions noted during such inspection, (ii) the Government's estimate of the costs (including all administrative overhead) to the Government of correcting or completing same, and (iii) a date by which Lessor shall so correct or complete, which date shall afford Lessor a reasonable time to complete the Work or cure the defect or omission. Should the Lessor complete or correct all such defects and omissions by or before the required correction date, the Contracting Officer shall authorize payment to the Lessor of the withheld Service Agreement Rent without interest, within forty-five (45) days of the Government's acceptance of the Work.

9.12. Intentionally Omitted.

9.13. Intentionally Omitted.

9.14. Effect of Acceptance and Occupancy. Neither the Government's acceptance of the Leased Premises for occupancy, nor the Government's occupancy thereof, shall be construed as a waiver of any requirement of or right of the Government under this Lease, or as otherwise prejudicing the Government with respect to any such requirement or right.

9.15. Maintenance of Building and Premises-Right of Entry. Except in case of damage arising out of the willful act or negligence of a Government employee, Lessor shall maintain the Leased Premises, including the Buildings and all equipment (other than Government Equipment), fixtures, and appurtenances furnished by the Lessor under this Lease, in good repair and condition so that they are suitable in appearance and capable of supplying such heat, air conditioning, light, ventilation, access and other things to the Leased Premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the Leased Premises as provided in this Lease. For the purpose of so maintaining the Leased Premises, the Lessor and, in the event of a Lessor default, the Lessor's Lender or Master Servicer may at reasonable times enter the Leased Premises.

9.16. Failure in Performance.

(a) **Service Agreement Matters.** In the event of any failure by the Lessor to provide any Operating Service required under this Lease to be provided by Lessor for a period of thirty (30) days following the Lessor's receipt of notice thereof from the Contracting Officer or COR, then such failure shall constitute a default by the Lessor under this Lease. In the event of such default, the Government may serve notice on the Lessor, the Lessor's Lender and the Master Servicer (provided that they have given written notice of their identity and address to the Government), that the Lessor's continued failure to perform the requirements under this Lease for a period exceeding thirty (30) days after such second Government notice, or the Lessor's failure to work with all diligence toward correction of the default, shall confer upon the Government the rights and remedies addressed in the following paragraph. The Government's notice shall immediately entitle but shall not obligate the Lessor's Lender or its assigns to enter upon the Leased Premises at reasonable times and take whatever steps are necessary to perform the Lease requirement and cure the Lessor's default. In the event that Lessor's failure to provide any Operating Service required under this Lease results in an emergency and/or life or health threatening situation, as reasonably and solely determined by the Government, then the notice requirement set forth in this paragraph shall not apply and the

INITIALS: 

Government may immediately rectify the situation and thereafter be reimbursed for its cost, as set forth herein.

In the event that the Lessor, or Lessor's Lender and/or Master Servicer, have failed to cure the default by the conclusion of the second thirty (30) day period described above, or are not working with all diligence toward the correction of the default during such second thirty (30) day period, the Government may, at its option: (i) by contract or otherwise, perform the requirement and deduct from any payment or payments of Service Agreement Rent under this Lease then or thereafter due, the resulting reasonable cost to the Government of correcting the default, including all administrative costs; provided, further, if the Government elects to correct any such default, the Government and each of its contractors shall be entitled to access to any and all areas of the Facility, access to which is necessary to correct any such default, and the Lessor shall afford and facilitate such access, (ii) deduct from any payments of Service Agreement Rent under this Lease then or thereafter due, an amount which reflects the reasonable value of the Lease requirement not performed or (iii) terminate all or any portion of the Service Agreement portion of this Lease. In the event that the Government terminates all or any portion of the Service Agreement portion of the Lease, the Government will remain obligated to pay the Base Rent, but Service Agreement Rent will be reduced and services will be furnished as provided in paragraph (c) of this Section. No deduction from Service Agreement Rent pursuant to this Section shall constitute a default by the Government under this Lease. Notwithstanding the foregoing, in the event Lessor fails to cure a default within the second thirty (30) day period described above and the Government remedies or intends to remedy such default itself, upon the Government's request, Lessor shall immediately consent to the disbursement to the Government from the funds held in the Service Reserve Account.

(b) **Space Lease Matters.** Except for those matters which are the Government's responsibility under Section 9.15 above, if, during the Lease Term, any physical element or condition either within or affecting the tenantability of the Leased Premises deteriorates or fails such that a capital repair or replacement is necessary, and if Lessor fails to repair or replace such element(s) or cure or correct the condition after the Government has provided Lessor with reasonable notice and an opportunity to cure not to exceed sixty (60) days, then such failure shall constitute a default under the Lease. The Government may then serve notice on the Lessor, the Lessor's Lender and the Master Servicer (provided that they have given written notice of their identity and address to the Government), that the Lessor's continued failure to repair or replace the element or cure or correct the condition for a period exceeding sixty (60) days, or a longer alternative time set by the Contracting Officer in his sole discretion after such second Government notice, or the Lessor's failure to work with all diligence toward correction of the default, shall confer upon the Government the rights and remedies addressed in the following paragraph. The Government's notice shall immediately entitle the Lessor's Lender or its assigns to enter upon the Leased Premises and take whatever steps are necessary to cure the Lessor's default.

In the event that the Lessor, or Lessor's Lender and/or the Master Servicer, have failed to cure the default by the conclusion of the second sixty (60) day period described above, or are not working with all diligence toward correction of the default during such second sixty (60) day period, the Government may, by contract or otherwise, repair or replace the element(s) or, cure or correct the condition and deduct the resulting reasonable cost to the Government of

INITIALS: 

correcting the default, including all administrative costs, from any payment or payments of the Service Agreement Rent under this Lease then or thereafter due; provided, further, if the Government elects to correct any such default, the Government and each of its contractors shall be entitled to access to any and all areas of the Facility, access to which is necessary to remedy the condition, and the Lessor shall afford and facilitate such access. No deduction from Service Agreement Rent pursuant to this Section shall constitute a default by the Government under this Lease. Notwithstanding the foregoing, in the event Lessor fails to cure a default within the second sixty (60) day period described above and the Government remedies or intends to remedy such default itself, upon the Government's request, Lessor shall immediately consent to the disbursement to the Government from the funds held in the Service Reserve Account of an amount equal to the Government's cost incurred in connection with such remedy.

(c) If a default under the Service Agreement or Space Lease continues beyond the cure period established by the Government through notice to the Lessor and the Lessor's Lender as specified in paragraphs (a) or (b) of this Section above, or upon repeated and unexcused failure by the Lessor to comply with one or more of the maintenance, service or operating requirements of this Lease, then the Government may, by notice to Lessor, Lessor's Lender, and the Master Servicer (provided they have given written notice of their identity and address to the Government): (i) excise from this Lease the service or utility which is the subject of the default, perform such service or pay for such utility itself, in which event the Government shall make an adjustment to the Service Agreement Rent under Section 9.27 (in no event shall such reduction exceed the Service Agreement Rent) or (ii) terminate the Service Agreement portion of this Lease for default and if so terminated, the Government shall be entitled to collect from the Lessor's Lender or the Master Servicer, all Service Agreement Rent paid to Lessor but not yet disbursed for the payment of Operating Expenses or not yet earned for management fees. The Government shall then arrange for the provision of all Operating Services as identified in the Service Agreement portion of the Lease. If the Government elects to terminate the Service Agreement portion of this Lease under this Section, the Government may direct the Lessor to assign its interests with respect to any contract for supplies or services for the Leased Premises to the Government, until such time as the Government can procure suppliers and subcontractors under its own contracting authority. The Lessor hereby agrees to execute and furnish to the Government such assignment and novation agreements as the Government shall require should the Government elect to continue with any existing contract for supplies and services. Upon assumption of any Operating Service, the Government shall assume the related Operating Cost and perform such Operating Service in substantial accordance with the applicable standards for Lessor set forth in Article VI hereof including, without limitation, the O&M Plan, PM, OEP, DCP and any other plan previously established by lessor and Tenant with respect to such Operating Service.

9.17. Fire and Casualty Damage.

(a) If the entire Leased Premises are damaged or destroyed by fire or other casualty the Government shall have the right to terminate this Lease by written notice to Lessor as soon as practicable within sixty (60) days after the occurrence of such event. In the event that the Government fails to provide the foregoing written notice of its desire to terminate this Lease,

then the Lessor shall commence repair and restoration and paragraph (b) below of this Section shall apply.

(b) If the Leased Premises are partially damaged or destroyed by fire or other casualty such that all, substantially all, or a part of the Leased Premises are rendered unrentable, inaccessible or unusable, as determined by the Government in its reasonable discretion, then (i) the Lessor shall, as soon as practicable, diligently commence and complete repair or restoration of the Leased Premises, but in all events, such repair or restoration shall be completed within three hundred sixty-five (365) days of such fire or other casualty; provided, that, if such repair or restoration cannot be completed within such three hundred sixty-five (365)-day period with diligent commencement and continuous pursuit of such repair or restoration, the Government and the Lessor shall agree, in writing, on a reasonable extension of such time period, (ii) the Rent shall, from and after the date of such partial damage or destruction, be proportionately abated, as determined by the Government in its reasonable discretion, during the period that such part of the Leased Premises are unrentable, inaccessible or unusable, until such repair or restoration is entirely completed (in whole or in designated portions to be determined by the Government in its reasonable discretion) and such part of the Leased Premises are reoccupied by the Government, (iii) the Government shall reoccupy such part of the Leased Premises (in whole or in designated portions to be determined by the Government in its reasonable discretion) upon completion of such repair or restoration and (iv) the Government shall have no right to terminate this Lease as a result of such partial damage or destruction so long as the Lessor diligently commences and continuously pursues such repair or restoration until entirely completed. Solely for the purpose of determining the proportion of the Rent that shall be abated during such period of untenantability, any part of the Leased Premises that has not been rendered untenantable by such partial destruction or damage but the use of which by the Government is substantially related to and dependent upon the availability of such part of the Leased Premises that has been rendered untenantable by such partial destruction or damage shall be deemed to have been rendered untenantable for such period of untenantability.

(c) As soon as practicable after partial destruction of or damage to the Leased Premises, or after destruction of or damage to the entire Leased Premises for which the Government has not elected to terminate this Lease pursuant to paragraph (a) of this Section, but in no event more than sixty (60) days thereafter, the Lessor shall provide the Government with a schedule and plans for accomplishing the repair or restoration. The Government shall have the right to review and approve such schedule and plans for such repair or restoration of the Leased Premises, with the Government's approval not to be unreasonably withheld, conditioned or delayed.

(d) It shall be the sole responsibility of the Lessor to provide such fire and casualty and business/rent interruption insurance as required by Section 2.13 of this Lease, unless the Government shall have assumed such obligations under Section 6.15 or 9.16(a). Failure on the part of the Lessor to provide for sufficient amounts of such insurance will be grounds for terminating this Lease in the event of damage to or destruction of the Leased Premises by fire or other casualty if Lessor cannot establish to the Government's reasonable satisfaction that funds from insurance proceeds and funds contributed or made available by Lessor or Lessor's Lender are sufficient to restore the Leased Premises. Notwithstanding the foregoing, the Government shall insure, or self-insure, any alterations, decorations, additions or

INITIALS: 

improvements, as well as all Government Equipment, made to or placed in the Leased Premises by the Government, excluding the Fit-Out.

9.18. Compliance with Applicable Law. Lessor shall comply with all Federal, state and local laws applicable to the Lessor as owner or lessor, or both, of the Buildings or Leased Premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. The Government will comply with all Federal, state and local laws applicable to and enforceable against it as a tenant under this Lease; provided that nothing in this Lease shall be construed as a waiver of any sovereign immunity of the Government. This Lease shall be governed by Federal law.

9.19. Alterations. The Government shall have the right during the existence of this Lease to make alterations, attach fixtures, and erect structures or signs in or upon the Leased Premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said Leased Premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. If this Lease contemplates that the Government is the sole occupant of the building, for purposes of this Section, the Leased Premises include the land on which the building is sited and the building itself. Otherwise, the Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the Leased Premises. Notwithstanding the Government's ownership of alterations, the Government is under no obligation to restore the Leased Premises upon completion of the Lease Term and may abandon any and all Fit-Out, alterations, decorations, additions or improvements made to or placed in the Leased Premises by or on behalf of the Government. Notwithstanding any of the foregoing rights, the Government may not make any alterations that materially change the use, as office space and related uses as contemplated by this Lease, of the Facility or any material portion thereof.

9.20. Inspection/Right of Entry.

(a) At any time and from time to time after June 1, 2000, the agents, employees and contractors of the Government may, upon reasonable prior notice to Lessor, enter upon the Site, and all other areas of the Buildings, access to which is necessary to accomplish the purposes of entry, to determine the potential or actual compliance by the Lessor with the requirements of this Lease, which purposes shall include, but not be limited to: (i) inspecting, sampling and analyzing of suspected asbestos-containing materials and air monitoring for asbestos fibers; (ii) inspecting the heating, ventilation and air conditioning system, maintenance records, and mechanical rooms for the Leased Premises; (iii) inspecting for any leaks, spills, or other potentially hazardous conditions which may involve tenant exposure to hazardous or toxic substances; and (4) inspecting for any current or past hazardous waste operations, to ensure that appropriate mitigative actions were taken to alleviate any environmentally unsound activities in accordance with Federal, state and local law.

(b) Nothing in this Section shall be construed to create a Government duty to inspect for toxic materials or to impose a higher standard of care on the Government than on other lessees. The purpose of this Section is to promote the ease with which the Government may inspect the Buildings. Nothing in this Section shall act to relieve the Lessor of any duty to inspect or

INITIALS: 

liability which might arise as a result of Lessor's failure to inspect for or correct a hazardous condition.

9.21. Covenants Against Contingent Fees.

(a) The Lessor warrants that no person or agency has been employed or retained to solicit or obtain this Lease upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to terminate the Service Agreement portion of this Lease without liability or, in its discretion, to deduct from the Service Agreement Rent the full amount of the contingent fee.

(b) "Bona fide agency," as used in this Section, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

"Bona fide employee," as used in this Section, means a person, employed by a Contractor and subject to the Lessor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

"Contingent fee," as used in this Section, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

"Improper influence," as used in this Section, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

9.22. Anti-Kickback Procedures.

(a) Definitions.

"Kickback," as used in this Section, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any Prime Contractor, Prime Contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

"Person," as used in this Section, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

"Prime contract," as used in this Section, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

INITIALS: 

"Prime Contractor," as used in this Section, means a person who has entered into a prime contract with the United States.

"Prime Contractor Employee," as used in this Section, means any officer, partner, employee, or agent of a Prime Contractor.

"Subcontract," as used in this Section, means a contract or contractual action entered into by a Prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

"Subcontractor," as used in this Section, (i) means any person, other than the Prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and (ii) includes any person who offers to furnish or furnishes general supplies to the Prime Contractor or a higher tier subcontractor.

"Subcontractor Employee," as used in this Section, means any officer, partner, employee, or agent of a subcontractor.

(b) The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from--

- (1) Providing or attempting to provide or offering to provide any kickback;
- (2) Soliciting, accepting, or attempting to accept any kickback; or
- (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a Prime Contractor to the United States or in the contract price charged by a subcontractor to a Prime Contractor or higher tier subcontractor.

(c) (1) The Lessor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this Section in its own operations and direct business relationships.

(2) When the Lessor has reasonable grounds to believe that a violation described in paragraph (b) of this Section may have occurred, the Lessor shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.

(3) The Lessor shall cooperate fully with any Federal agency investigating a possible violation described in paragraph (b) of this Section.

(4) The Contracting Officer may (i) offset the amount of the kickback against any monies owed by the United States as Service Agreement Rent or (ii) direct that the Prime Contractor withhold from sums owed a subcontractor under the prime contract, the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision (c)(4)(ii) of this Section be paid over to the Government unless the

INITIALS: 

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Government has already offset those monies under subdivision (c)(4)(i) of this Section. In the either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.

(5) The Lessor agrees to incorporate the substance of this Section, including subparagraph (c)(5) but excepting subparagraph (c)(1), in all subcontracts under this Lease.

9.23. Requirements for Certificate of Procurement Integrity/Modification.

- (a) The definitions set forth in FAR 3.104-4 are hereby incorporated in this Section.
- (b) The Lessor agrees that it will execute the certification set forth in paragraph (c) of this Section, when requested by the Contracting Officer in connection with the execution of any modification of this Lease.
- (c) As required in paragraph (b) of this Section, the officer or employee responsible for the modification proposal shall execute the following certification:

INITIALS: 

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